AUSTRALIAN INSTITUTE *of* COMPANY DIRECTORS

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Comparison guide
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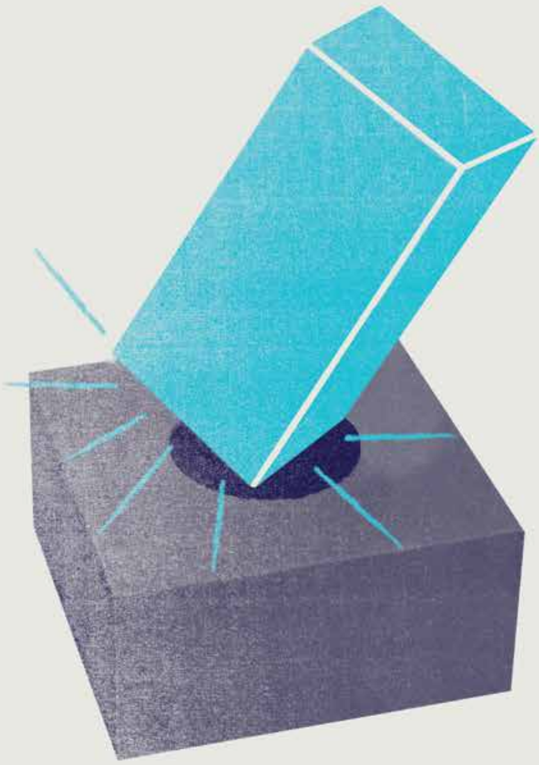
ASIC's Regulatory Guide 247 "Effective Disclosure in an Operating and Financial Review" and the International Integrated Reporting Framework



Introduction

This document has been prepared to assist directors understand the differences between ASIC's RG 247, "Effective Disclosure in an Operating and Financial Review" and the International Integrated Reporting Framework and to highlight the significant risks we see for directors that are inherent in both.

The annual report is the key periodic corporate reporting document in Australia and includes the mandatory financial reporting disclosures set out in the Corporations Act. This mandatory disclosure regime sets out amongst other things the financial report of the entity, which comprises the financial statements, notes to the financial statements and the directors' declaration about the statements and notes[1], as well as the directors' report[2]. For listed entities the directors' report includes an Operating and Financial Review (OFR). Typically, the annual report may include additional disclosures such as the Chairman's statement, CEO review, corporate governance statement, a risk management report and possibly a sustainability report. In Australia a significant number of shareholders elect not to receive an annual report at all.

The International Integrated Reporting Council (IIRC) was formed in 2010 and has developed the integrated reporting framework. The IIRC's long term vision is that the integrated report will become the corporate reporting norm. The IIRC stated that the primary purpose of an integrated report is to "explain to providers of financial capital how an organization creates value over time[3]."

The International Integrated Reporting Framework[4] (IRF) was released in December 2013 and defines an integrated report as "a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term."[5]

In March 2013, the Australian Securities and Investments Commission (ASIC) released Regulatory Guide 247, *Effective Disclosure in an Operating and Financial Review*[6] (RG 247). RG 247 provides guidance to listed entities in Australia, in complying with the requirements of section 299A of the *Corporations Act 2001*. Section 299A (1) states, " The directors' report for a financial year for a company, registered scheme or disclosing entity that is listed must also contain information that members of the listed entity would reasonably require to make an informed assessment of:

a) the operations of the entity reported on; and
b) the financial position of the entity reported on; and
c) the business strategies and prospects for future financial years of the entity reported on."

It is important to note that ASIC's regulatory guides are not a statement of law but rather ASIC's interpretation of the law.

Directors need to be cognisant of the significant risks posed within both of these frameworks and as such Company Directors encourages directors to exercise caution when preparing disclosures under either of these frameworks.

[1] See section 295 of Corporations Act (2001)(C'th)
[2] See section 298 of the Corporations Act (2001)(C'th)
[3] Paragraph 1.7 of the Integrated Reporting Framework
[4] www.theiirc.org and link to International Integrated Reporting Framework
[5] Paragraph 1.1 of the Integrated Reporting Framework
[6] Link to RG 247, Effective Disclosure in an Operating and Financial Review

In its submission to the IIRC in response to the Consultation Draft of the IRF, the Financial Reporting Council in Australia suggested that an alternative and simpler approach for the IIRC may be to use the OFR as the vehicle for the introduction of an integrated report.[7]

The Australian Institute of Company Directors is of the view that the OFR, which is included within the directors' report is significantly different to an integrated report, and as such it is not appropriate for the integrated report to be subsumed into the OFR.

Given the above, this paper has been prepared to enable directors to compare and contrast these two frameworks and to help identify those issues of relevance to them in their respective directorships, recognising that the OFR and integrated report are different and that there are significant risks inherent in both.

[7] www.frc.gov.au

The following table provides a comparison between RG 247 and the IRF:

Comparison Table

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
Audience	RG 247.28 states "An OFR, prepared under s299A, should: (a) contain disclosures tailored to the information needs of shareholders …" The Corporations Act, in section 299A refers to "members"	Providers of financial capital (IRF 1.7) Providers of financial capital extend beyond shareholders and would include providers of debt funding to the entity. IRF 1.8 further states that an integrated report will benefit all stakeholders interested in an organisation's ability to create value over time. It includes a list of possible stakeholders, namely employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers.
Approach	Compliance – need to fulfil the Corporations Act requirements	No legal requirement for entities to prepare an integrated report in Australia. Principles based (IRF 1.9) Comply with all the 18 bold type requirements (set out in Appendix – Summary of requirements) (IRF 1.17) **unless**: • the unavailability of reliable information or specific legal prohibitions results in an inability to disclose information • disclosure of material information would cause

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
		significant competitive harm IRF 1.18 states in those instances where information has been omitted, an integrated report should include: • the nature of the information omitted • explain the reason why and • in the case of the unavailability of information, what steps are being undertaken to obtain such information.
Responsibility	Included within the directors' report, therefore responsibility for the OFR is the board of directors of the entity.	IRF 1.20 requires, on a "comply or explain" basis, that an integrated report include a statement by those charged with governance that includes: • an acknowledgment of their responsibility to ensure the integrity of the report • acknowledgement that they have applied their collective mind to the preparation and presentation • their opinion or conclusion on whether the report is in accordance with the Framework.
Objective	RG247.5 states " The objective of the OFR requirements are to provide shareholders with a **narrative and analysis to supplement the financial report** and assist shareholders in understanding the operations, financial position, business strategies and prospects of an entity."	IRF 1.5 states "This Framework identifies information to be included in an integrated report for use in assessing **an organization's ability to create value**; it does not set benchmarks for such things as the quality of an organization's strategy or the level of its performance."

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
What companies will prepare these reports?	Listed disclosing entities (RG 247.1 and Corporations Act s 292(1))	Private Sector, for profit companies of any size (IRF 1.4) But the framework also states that the IIRC believes public sector and not-for-profit entities would be able to apply the framework (IRF 1.4).
Format	RG 247. 15 states "All information required under s299A must be included within the body of the OFR itself. An OFR cannot incorporate by reference other documents (outside of the financial report) or rely on the fact that relevant information may have previously been disclosed to the market (e.g. continuous disclosure announcements) to satisfy the requirements of s299A."	IRF1.12 states "An integrated report should be a designated identifiable communication." Further, IRF 1.14 states that an integrated report may be prepared in response to existing compliance requirements. IRF 1.16 – depending on how it is presented, if web based it can link to other information outside of the report.
Report period	Annually RG 247.1 states "Division 1 of Pt 2M.3 of the *Corporations Act 2001* sets out the requirements for annual financial reports and directors' reports." RG 247.27 Reporting period – annual financial report	IRF 1.15 "An integrated report may be either a standalone report or be included as a distinguishable, prominent and accessible part of another report or communication."
Assurance	RG 247.37 – No audit requirement, however the external auditors are required to review the OFR to ensure that there are no material inconsistencies, as the OFR is accompanying the audited financial report and ensure that the OFR contains no misstatements of fact.	The Framework does not consider assurance of the integrated report. The IIRC is continuing to work on the assurance element of integrated reporting.

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
	(Relevant International Auditing Standard: ISA 720, The Auditor's Responsibilities relating to Other Information in Documents Containing Audited Financial Statements)	
Time horizon for disclosures	RG 247.54 states "However, the fact that s299A requires strategies and prospects to be discussed for future financial 'years' indicates that something more than a discussion centred on the next financial period is required. The relevant time period will depend on the individual circumstances of the entity…"	IRF 4.57 states "the future time dimension to be considered in preparing and presenting an integrated report will typically be longer than some other forms of reporting." The organisation determines the short, medium and long term time frame with reference to its business and investment cycles, its strategies and its key stakeholders' legitimate needs.
Business model	RG 247.42 states "An informed understanding of an entity's operations should generally be presented in the context of the entity's business model, and this model should be clearly articulated." Disclosures may include: • how the entity makes money; • generates income or capital growth for shareholders; • otherwise achieves its objectives; • any key dependencies; • significance of particular operating segments to the business should be made clear.	IRF 4.10 states "An integrated report should answer the question: What is the organization's business model?" An integrated report's business model disclosures would include: • Inputs (IRF 4.14 – IRF 4.15); • Business activities (IRF 4.16 – IRF 4.17); • Outputs (IRF 4.18); and • Outcomes (IRF 4.19 – IRF 4.20).
Business strategy	RG 247.51 states that "an OFR must contain information that shareholders would reasonably require to make an informed	IRF 3.3 states "an integrated report should provide insight into the organization's strategy, and how it relates to the

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
	assessment of the business strategies and prospects for future financial years, of the entity reported on: s299A (1)(c)."	organization's ability to create value in short, medium and long term and to its use of and effects on the capitals."
Stakeholder relationships	RG 247 does not make specific mention of consideration of stakeholders, and focusses on information that shareholders would require to make an informed assessment of the entity.	IRF 3.10 states "an integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests."
Materiality	Although RG 247 does not specifically refer to materiality, it does through the guide refer to 'significant' matters when considering the nature of the disclosures within the OFR. RG 247. 16 states "We recommend that the OFR is presented in a clear, concise and effective manner, with a focus on the quality rather than quantity of information."	IRF 3.17 states "an integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term".
Organisational overview and external environment	RG 247.63 states "An OFR should include a discussion of environmental and other sustainability risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy."	IRF 4.4 states "An integrated report should answer the question: what does the organization do and what are the circumstances under which it operates?" Disclosures may include (IRF 4.5): • Culture, ethics and values • Ownership and operating structure • Principle activities and markets • Competitive landscape and market positioning

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
		• Position within the value chain Further, an integrated report may include disclosures about the significant factors that may impact an organisation's external environment, which may include legal, commercial, social, environmental and political context (IRF 4.6). Disclosures may include (IRF 4.7): • Legitimate needs and interests of key stakeholders • Macro and micro economic conditions • Market forces • Speed and effect of technological change • Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems • Environmental challenges, such as climate change, the loss of ecosystems and resource shortages as planetary limits are approached • Legislative and regulatory environment in which the organisation operates • The political environment in countries where the organisation operates and other countries that may affect the ability of the organization to implement its strategy.

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
Governance	RG 247 does not deal with governance matters. However, the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 3rd Edition*[8] requires consideration on an "if not, why not" basis of how an entity is governed.	IRF 4.8 states "an integrated report should answer the question: How does the organization's governance structure support its ability to create value in the short, medium and long term?" Disclosures may include (IRF 4.9): • The organisation's leadership structure including the skills and diversity of those charged with governance and whether regulatory requirements influence the design of the governance structure • Specific processes used to make strategic decisions and to establish and monitor the culture of the organisation, including its attitude to risk and mechanisms for addressing integrity and ethical issues • Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation and its approach to risk management • How the organisation's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders • Whether the organisation is implementing governance practices that exceed legal requirements • The responsibility those charged with governance take for promoting and enabling innovation • How remuneration and incentives are linked to value

[8] Link to ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition

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<tr><th>Issue</th><th>RG 247, Effective Disclosure in an Operating and Financial Review</th><th>International Integrated Reporting Framework</th></tr>
<tr><td></td><td></td><td>creation in the short, medium and long term, including how they are linked to the organisation's use of and effects on the capitals</td></tr>
<tr><td>Risks and opportunity</td><td>RG 247.61 states that "it is important that a discussion about future prospects is balanced. It is likely to be misleading to discuss prospects for future financial years without referring to the material business risks that could adversely affect the achievement of the financial prospects described for those years."

Disclosures may include:
Only include a discussion of the risks that could affect the entity's achievement of the financial prospects disclosed, taking in account the nature and business of the entity and its business strategy; and not contain an exhaustive list of generic risks (RG 247.62)
Discussion of environmental and sustainability risks (RG 247.63)
For each risk disclosed it should be (RG 247.64):
Described in its context;
Include any relevant associated analytical comments; and
Where the risk relates to factors within the control of management, specify how these factors will be controlled or managed by the entity.</td><td>IRF 4.23 states "an integrated report should answer the question: What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?"

Disclosures may include (IRF 4.24):
The specific source of risks and opportunities, which can be internal, external or commonly, a mix of the two. External sources include those stemming from the external environment
The organisation's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does. This includes consideration of the specific circumstances that would cause the risk or opportunity to come to fruition. Such disclosure will invariably involve a degree of uncertainty
The specific steps being taken to mitigate or manage key risks or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPI's
IRF 4.26 further states "Considering the guiding principle,</td></tr>
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Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
		Materiality, the organization's approach to any real risks (whether they be in the short, medium or long term) that are fundamental to the ongoing ability of the organization to create value and that could have extreme consequences are ordinarily included in an integrated report, even when the probability of their occurrence might be considered quite small."
Strategy and resource allocation	RG247.58 states "an OFR should outline the entity's key business strategies, including significant plans that are part of those strategies…"	IRF 4.27 states "An integrated report should answer the question: Where does the organization want to go and how does it intend to get there?" Disclosures may include (IRF 4.28): • Organisation's short, medium and long term strategic objectives • Strategies it has in place or intends to implement, to achieve those objectives • The resource allocation plans it has to implement its strategy • How it will measure achievements and target outcomes for the short, medium and long term
Performance	RG247.43 states "an OFR should include matters that are relevant to understanding an entity's performance and the factors underlying its results – in other words, the underlying drivers and reasons for the entity's performance." (RG 247.43)Disclosures may include:	IRF 4.30 states "an integrated report should answer the question: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of the effects on capitals?" Disclosures may include (IRF 4.31):

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
	• Significant factors affecting total income and income for major reporting segments, such as new businesses, new major products, new markets, new competitors, acquisitions, discontinued operations, changes in exchange rates, changes in hedging policy, changes in economic and market conditions and changes in accounting policy; • Significant components of overall expenses and expenses for major operating segments, such as the reasons for changes in impairment losses, restructuring costs, and significant changes in borrowings or borrowings costs. This would be prepared in a way that explains the data in the financial report. (RG247.44)	• Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them. • The organisation's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain • The state of key stakeholder relationships and how the organisation has responded to key stakeholders legitimate needs and interests. • The linkages between past and current performance, and between current performance and the organisation's outlook.
Financial position	RG 247.45 states "an OFR should include matters that are relevant to understanding an entity's financial position, including the underlying drivers of, and reasons for, the financial position." Disclosures may include: • Significant changes in assets and liabilities as a result of major business acquisitions or disposals; • Changes in the funding or dividend strategy; • Any doubt about the solvency of the entity, or any issues or uncertainties about the entity as a 'going concern';	IRF 4E deals with Strategy and resource allocation, and here may be where some disclosures around financial position may be disclosed. IRF 4.28 states amongst other things "An integrated report ordinarily identifies: • The resource allocation plans it has to implement its strategy." It further states in IRF 4.29 that an integrated report may include the describing of how its strategy and resource

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
	• Prominently highlight any qualification by the entity's auditor or "emphasis of matter" paragraph, including the circumstances and explain in clear terms the concerns underlying the audit opinion; • The impact of any unrecognised or undervalued assets or exposures not required or permitted to be reflected in the financial report under accounting standards, such as material off-balance sheet items, intangible assets or financial instruments; and • Any unusual contractual conditions, such as when revenues will only be earned if certain threshold conditions are met.	allocation plans affect the capitals, and the risk management arrangements related to those capitals. IRF 4.1 also states that an integrated report may include qualitative and quantitative information about performance that may include "the organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain"
Outlook	RG 247.51 states that "an OFR must contain information that shareholders would reasonably require to make 'an informed assessment of the business strategies and prospects for future financial years, of the entity reported on': s299A (1)(c)." Disclosures may include: • Matters that may have a significant impact on the future financial performance (RG 247.53) RG 247.60 states that "An OFR should contain a discussion of the entity's prospects for future financial years." It further states "This is a narrative explaining the financial performance and financial outcomes the entity expects to achieve overall, taking into account its disclosed business	IRF 4.34 states "An integrated report should answer the question: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?" Disclosures may include (IRF 4.35): • The organisation's expectations about the external environment the organisation is likely to face in the short, medium and long term • How that will affect the organisation • How the organisation is currently equipped to respond to the critical challenges and uncertainties that are likely to arise. IRF4.36 further states "Care is needed to ensure the

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	strategies and any other relevant factors.” RG 247.60 further states that ASIC do not expect an OFR to “contain numerical financial forecasts.” If an entity does choose to present numerical financial forecasts, RG 247 refers them to RG 170, Prospective financial information.	organization’s stated expectations, aspirations and intentions are grounded in reality. They need to be commensurate with the ability of the organization to deliver on the opportunities available to it (including the availability, quality and affordability of appropriate capitals), and a realistic appraisal of the organization’s competitive landscape and market positioning, and the risks it faces”.
Future orientated information	RG 247.61 states “it is important that a discussion about future prospects is balanced. It is likely to be misleading to discuss prospects for future financial years without referring to the material business risks that could adversely affect the achievement of the financial prospects described for those years. By material business risks we mean the most significant areas of uncertainty or exposure, at a whole of entity level that could have an adverse impact on the achievement of the financial performance or outcomes disclosed in the OFR. Equally, it may be appropriate to disclose factors that could materially improve the financial prospects disclosed.”	IRF 3.52 states “Legal or regulatory requirements may apply to certain future-orientated information in some jurisdictions, covering for example: • The types of disclosures that may be made • Whether cautionary statements may be required or permitted to highlight uncertainty regarding achievability • An obligation to publicly update such information.” Further, IRF 3.53 states “Future –orientated information is by nature more uncertain than historical information. Uncertainty is not, however, a reason in itself to exclude such information.” Part of IRF 4.50, Disclosure of material matters, provides the following guidance on dealing with uncertain disclosures within an integrated report, “If there is uncertainty surrounding a matter, disclosures about the uncertainty, such as:

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		○ An explanation of the uncertainty ○ The range of possible outcomes, associated assumptions, and how the information could change if the assumptions do not occur as described ○ The volatility, certainty range or confidence interval associated with the information provided."
Confidential information/ Competitive advantage	RG 247.71 states "Entities may often consider that the disclosure of specific confidential information would likely to result in unreasonable prejudice to the entity. If information is confidential because it is commercially sensitive and the disclosure of that information would unreasonably damage the entity's business, it may be possible to establish a basis for this view."	IRF 1.17 states that an integrated report can exclude material information if disclosure of such information would cause significant competitive harm. IRF 3.51 states "In including information about material matters dealing with competitive advantage (e.g., critical strategies), an organization considers how to describe the essence of the matter without identifying specific information that might cause a significant loss of competitive advantage. Accordingly, the organization considers what advantage a competitor could actually gain from information in an integrated report, and balances this against its primary purpose as noted in para 1.7."

Issue	RG 247, Effective Disclosure in an Operating and Financial Review	International Integrated Reporting Framework
Multiple capitals	The main focus of an OFR is on an entity's financial capital and may include manufactured and human capital depending on the entity's business model. However, RG 247.62 recommends that an OFR include a discussion of environmental or other sustainability risks that could impact on the entity's achievement of its financial performance. These disclosures may have an impact on human, social and relationship and natural capital as defined in the IRF.	IRF 2.10 states that there are various forms of capital[9] and for the Framework they comprise: • Financial • Manufactured • Intellectual • Human • Social and relationship • Natural. Organizations are not required to adopt the categories of capital (IRF 2.17), however the primary reason for including these capitals is as: • part of the theoretical underpinning for the concept of value creation; and • a guideline for ensuring organizations consider all forms of capital they use or affect.

[9] Refer to IRF 2.15 for the categories and descriptions of the capitals

Key issues

1. Concerns around forward looking disclosures

Both the OFR and IRF encourage the use of forward looking disclosures to provide information about the future prospects of the organisation / entity. In Australia both the OFR and IRF must be considered in the context of how the required and recommended disclosures interact with other provisions in the Corporations Act and the ASIC Act.

Company Directors has consistently raised concerns about the potential for personal liability for directors for the forward looking disclosures within an integrated report. We have similar concerns about the disclosures within an OFR.

Many accounting experts have stated that neither of these frameworks is seeking disclosure of detailed forecasts of future financial performance. However, the liability regimes in the Corporations Act and the ASIC Act (including the provisions relating to misleading and deceptive conduct) apply whether the statement as to a future matter is a forecast (quantitative information) or any other type of information (qualitative information). Any statement which includes a forward looking element, if not made on reasonable grounds, is at risk of causing a contravention of the relevant provisions[10]. The existing provisions in the Corporations Act and ASIC Act are arguably premised on the basis that only limited statements as to future matters are required. If a statement as to a future matter is unreliable, based on uncertain information or at risk of not being made on reasonable grounds then the company making the statement must carefully consider whether it is appropriate to include it in a corporate disclosure. A director's ability not to include particular forward looking disclosures is under increased pressure in light of ASIC's guidance on the OFR and IRF.

2. Continuous Disclosure Regime

Company Directors is concerned that the disclosures within an integrated report may lead to confusion as to what is "material" for the purpose of Australia's continuous disclosure regime. This is because the IRF has a different definition of materiality than that set out in Australia's continuous disclosure regime. The IRF states that "an integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term."[11] The IRF then sets out how an organisation would go about setting this materiality and then determining which relevant items should be included within an integrated

[10] See for example, s1041H of the Corporations Act and s769C of the Corporations Act
[11] Paragraph 3.17 of the International Integrated Reporting Framework

report. The framework further states the following: “Ordinarily, matters related to value creation that are discussed at meetings of “those charged with governance” are considered relevant.”[12]

This should be contrasted with the ASX Listing rule 3.1 concerning continuous disclosures, which states “Once an entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information.”

Company Directors is concerned that the manner in which IRF sets its materiality thresholds may inadvertently suggest the lowering of the threshold for triggering announcements pursuant to Australia’s continuous disclosure regime. If this were to occur, it has the potential to significantly extend the range of disclosures that an organisation would be required to continually monitor to ensure compliance with the continuous disclosure regime should one of the key disclosures within an integrated report change.

3. Approach

The integrated report has a different underlying methodology which at its centre is the organisation’s business model, it looks at the interaction between the multiple capitals and the organisation’s strategy and focuses on how the organisations creates and sustains value over the short, medium and long term. This methodology is much broader than the OFR, which on the other hand, provides a narrative and analysis that accompanies an entity’s financial statements and provides a context to this financial information.

Summary

The Australian Institute of Company Directors is of the view that the OFR, which is included within the directors’ report is significantly different to an integrated report and as such it is not appropriate to an integrated report to be subsumed into the OFR.

This paper has been prepared to enable directors to compare and contrast these two frameworks and to help identify those issues of relevance to them in their respective directorships, recognising that the OFR and integrated report are different and that there are significant risks inherent in both. To appreciate the Australian Institute of Company Directors concerns with both the OFR and IRF in greater detail, see the Further Reading below.

[12] Paragraph 3.22 of the International Integrated Reporting Framework

Further Reading

The non-executive director view on Integrated Reporting

Global Network of Director Institutes Perspectives Paper: Integrated reporting – www.gndi.org

Australian Institute of Company Directors' submission to the IIRC on the Consultation Draft of the International Integrated Reporting Framework – July 2013

Australian Institute of Company Directors' submission to IIRC on Discussion Paper, Towards Integrated Reporting, Communicating value in the 21st century – December 2011

Australian Institute of Company Directors' submission to ASIC on Consultation Paper 187, Effective Disclosure in an Operating and Financial Review – November 2012

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